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TOURISM PRICE COMPETITION INDEX FOR NATIONAL DESTINATIONS

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ABSTRACT

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Visitors are aware towards touristic goods and service prices and take cost of tourism package involving touristic goods and services into consideration in decision of choosing destination. Addressing cost of touristic goods and service package with destination choice and touristic demand made price competition a current issue in tourism. The destination that has comparative price advantage among alternative destinations is accepted as having high tourism price competition power. In this scope the first aim of our study is to develop a method that can make tourism package price comparison in rival national destinations. The second aim on the other hand depending upon the first aim is to form price competition towards alternative national destinations. In this scope basing on Household Budget Study of Turkish Statistical Institute (TÜİK), tourism package prices of the most important 4 destinations of Turkey were compared and price competition index was calculated.

1. INTRODUCTION

Tourism becomes a sector for many countries and destinations that is taken into consideration in economic development policies and has strategic importance. Because in economic development of destination tourism contributes by providing foreign currency inflow and creating income growth. It affects employment positively. The establishments in tourism sector and different sectors working with those establishments consider tourism as an opportunity to increase their incomes. The contribution of tourism sector are not only limited with economic development, it also supports life style, social structure and socio-cultural development that affects life quality.

In parallel with understanding of all these economic, social and cultural contributions of tourism, in academic and politic field the interest to sector increased, the studies towards determining and developing competition power accelerated (Crouch and Ritchie, 1995; Crouch and Ritchie, 1999; Buhalis, 2000; Dwyer *et al.*, 2000; Dwyer and Kim, 2003; Crouch, 2011; World Economic Forum, 2015).

Competition is a concept that is used to involve almost every sides of market performance such as product quality, innovation skill, able to respond quickly to the demands of customers, absence of limiting factors towards

business life (Turner and Van'tdack, 1993). This study focuses on competitiveness basing on comparative prices in which competitiveness is considered in the strict sense in tourism sector and aims to develop price competition index for local destinations.

For destinations and establishments to get benefits expected from tourism effectively and for its maintainability, they have to take touristic goods and service prices in rival destinations into consideration. Which destination's tourism price competition power is high and what are the reasons of this advantage? The answer of these questions must necessarily be known and to find answer to these questions needs comparative analyses of prices of goods in different destinations that has wide varieties (Dwyer *et al.*, 2000; Oyewole, 2004).

In order to make comparative price analyses in tourism, more than one price index were developed. One of the indexes that was developed to make international price competition analysis in tourism is the price index that was developed by WEF (2015). The other one is Purchase Power Parity approach (PPP) that was developed by Dwyer *et al.* (2000). Another study is National Travel, Transportation and Tourism Price Index study that was developed by Saudi Tourism Information and Research Centre (MAS-SCTA, 2010). The first two of these studies are price competition index towards international destinations. The study of MAS-SCTA is on the other hand is a consumer price index study special to tourism themed touristic goods and service prices that local and international tourists frequently consume.

However this study is aimed specifically to form a price competition index by making touristic product package cost comparisons between national tourism destinations.

In the study tourism price index approach that was developed by Dwyer *et al.* (2000) was taken as a basis. However this study differs from the study done by Dwyer *et. al* at some points. The first of this difference is as the index developed by Dwyer *et. al* was towards international destinations, this study is an index study towards national destinations. Secondly in the study done by Dwyer *et. al* the price data regarding tourism package cost were obtained from International Comparative Programme Report (ICP) of the World Bank. ICP studies are done at certain intervals and these intervals separate in a long term (the last two reports issued in 2005 and 2011). Accordingly price data can fell from favour due to inflation etc. In fact this study bases on price data study of national statistics institution that is done every month. The main aim of study is to develop National Tourism Price Competition Index (NTPCI) for different tourism destinations by benefitting from goods and service package price researches that is collected regularly every month by statistics institutions to form consumer price index in national economies.

National Tourism Price Competition Index determines competitive position among alternative destinations according to goods and service package cost (price) that reflects average consuming modals of tourists in a specific reference period. In this scope in calculations of NTPCI calculations a goods package was formed that represents touristic consumption and this formed package was used to competitive comparison and costs in national alternative destinations. In the study tourism price comparisons for the most important four destinations (İstanbul, Antalya, Aegean and Cappadocia) of Turkey by basing price data of Household Budget Study (TÜİK, 2016) that is done every month regularly in the scope of Turkey Statistics Institution (TÜİK) Consumer Price Index (CPI) (2003=100) programme and the index was formed. Goods and services that are generally consumed for touristic aim were chosen in the scope of TÜİK price researches that are generally consumed for touristic aim. The choices were done basing on literature (MAS-SCTA, 2010). As this index study reveals touristic product package cost differences (competition level) among national destinations, it can also provide to follow inflation rates towards touristic products in destination region in a certain period. In this scope this performs a duty as a beneficial indicator that government and local actors can use in forming tourism policies. Also this index study provides a literature and an indicator that can be used in future studies of tourism field.

2. TOURISM PRICE COMPETITIVENESS

Destination competitiveness is an ability of a destination presenting goods and services that show better performance than other destinations with its tourism experience accepted important by tourists (Dwyer and Kim, 2003). In other words tourism competitiveness is an ability to make attractions of destinations the best for the ones living or not living in that destination, presenting qualified, innovative and attractive services for tourists as well as having an important market share in local and international tourism market (Dupeyras and MacCallum, 2013).

Until 1990s to the present destination competitiveness has become an increasingly interested field by tourism researchers. Due to this increasing interest, there occurred an appreciable increase in research studies towards destination competitiveness (Ahmed and Krohn, 1990; Ritchie and Crouch, 1993; Buhalis, 2000; Dwyer and Kim, 2003; Kozak *et al.*, 2009). Most of these studies has been done to evaluate and define competitiveness positions of specifically chosen destinations, some other studies were studies that focused on specific sides of destination competition power.

In addition to this in these studies the subject that everybody agrees with is that tourism is an important service industry placing in economical development strategies of different destinations in a country as it is for many countries. Also the development potential of any destination is mostly related with its ability to protect competition advantage in presenting attractions to visitors is another frequently mentioned subject in these studies.

Competition advantage is a general concept (Dwyer *et al.*, 2001) that has components in attractions presenting to visitors below;

- a. *Socio-economic and demographic factors* (formed by components such as population, national income, leisure time, education, profession etc.).
- b. *Qualitative factors* (involve variables such as touristic attraction, image, quality of touristic services, marketing and introduction of destination, cultural ties, productivity etc.).
- c. *Price factor* (formed by cost of transportation services to destination and from destination to accommodation and basic touristic costs such as accommodation, provisions, tour services, entertainment etc.) Both two costs affect travelling decision.

As it is expressed above one of the main components that determines tourism competitiveness is the price of touristic goods and services. Visitors are aware towards tourism prices. There is wide agreement that tourism prices are the most important criteria in decisions if travelling will be done or not or which destinations it will be done (Crouch, 1992) and also prices are an important component of general tourism competition power of destination (Dwyer *et al.*, 2001; Oyewole, 2004).

Addressing of costs of touristic goods and service package with destination choice and touristic demand brought price competition to the fore in tourism. The destinations having price advantage among alternative destinations are accepted as having high tourism price competition power (Dwyer *et al.*, 2001; Forsyth and Dwyer, 2009). The focus in tourism price competition is comparison of touristic expenditures in terms of price. Touristic expenditure is a total consumption expenditure done by a visitor or in the name of him for his travel during his staying at destination (MAS-SCTA, 2010).

According to Dwyer *et al.* (2001) the success and maintainability of destination when compared to its rivals is closely related with whether goods and service prices that are included in the scope of touristic expenditure, are not competitive or not (Dwyer *et al.*, 2001).

Various factors affect price competition power of destination in different ways (Forsyth and Dwyer, 2009). Important ones among these factors are expressed below;

Exchange rates: Exchange rate is the most important leading factor that affect tourism competition power. If Exchange rate of country increases when the other factors are equal, this will affect tourism competition power of country negatively. Because Exchange rates can be used to define comparative price levels in other countries and the country that the tourist is staying.

Inflation and General Price Levels: The highness in general price level in a destination can decrease the advantage that was achieved due to Exchange rate. The increase in general price levels will create increase in costs of touristic goods and services.

Employment costs: These costs are main determinant of long term price competition power of tourism. In destinations that low prices are paid, prices of goods and services are in tendency of being low.

Productivity Level of Tourism Sector: Output prices are indicator of productivity level of sector besides reflecting input (especially employment) prices. If tourism industry productivity level of a country having high level of income is high when compared to its rivals having low level of income, countries having high level of income can have more price competition power in tourism.

Increase in Export and Dutch Disease: Due to changes occurred by structural changes in Exchange rate can affect competition power of tourism sector. The most important effects due to structural changes is Dutch disease. In other words it is a condition of overvaluation currency of country having an important source.

Taxes: Taxes, especially outlay taxes, increase prices of goods and services purchased by tourists. Price competition power can be affected from this condition negatively.

Infrastructure prices: They are defined by toll roads, airport taxes, various donations etc. These prices increase costs that form touristic product package.

Fuel oil prices: Fuel oil is an important input among touristic goods and services. Accordingly it can be said that fuel oil prices have important effect on tourism price competition.

Payments related Environment: Tourism sector is increasingly liable to environmental payments. Payments such as Noise fee, Carbon Emissions Trading Scheme can be given them as an example. Since the increase in these payments cause increase in general levels of goods and services, they can affect price competition negatively.

The prices of touristic goods and services that are affected by these factors are effective in decisions of destination choice. In terms of tourists prices are evaluated in two aspects. The first one is comparison of tourist the price in destinations with the prices that form his own life expenditures. The second one is price comparisons between rival destinations that form replacement price effect. As a result of these comparisons tourist can prefer lower or close to his life cost and destinations offering more advantageous than rival destinations (Crouch, 1992; Forsyth and Dwyer, 2009).

In order to make comparative price analyses about destinations due to importance of price competition in tourism, different price competition indexes were developed. In these developed indexes many alternative approaches and indicators were used. These indexes and indicators involve important differences. In fact these differences provide important benefits in terms of enlightening different aspects of price competition. One of the comprehensive approaches done to measure tourism price competition power is Purchasing Power Parity (PPP) approach that was developed by Dwyer *et al.* (2000). This tourism price competition index uses local currency value of same goods and services in different countries in ICP report of the World Bank. From these price data cost of touristic product package of each country can be calculated. Due to calculated tourism package costs, tourism expenditures can form Purchasing Power Parity (PPP). PPP shows necessary expenditure levels for goods and services in the same tourism package in different destinations. The calculation of PPP for each touristic expenditure category provides to form a relation between tourist purchasing modals and the price. Later price competition index of international destinations can be formed from harmonised PPP with Exchange rate (Dwyer *et al.*, 2000).

The other tourism price competition measurement approach is Tourism Price Competition Index approach that was used in Travel and Tourism Competitiveness Index study that was prepared by World Economic Forum (WEF). In this index the aim is to measure tourism price competition between countries and provide actual data. In this approach of WEF, Price Competition Index was calculated by taking normalised and unweighted mean of four price indicators (Purchasing Power Parity, Fuel oil Price, Ticket Price and received taxes, Hotel Price) (WEF, 2015).

On the other hand, MAS-SCTA developed Travel, Transportation and Tourism Price Index (TTTPI) basing on monthly data of Consumer Price Index particular to Saudi Arabia as a contribution to National Travel and Tourism Data System. This index is a price index study directed to follow average price changes in goods and services consumed by tourists (international and local) (MAS-SCTA, 2010).

3. NATIONAL TOURISM PRICE COMPETITION INDEX

National Tourism Price Competition Index that forms the focus of this study, aims to evaluate competitive position between national alternative destinations according to goods and service package cost that reflects average consuming habits of tourists in a specific reference period. In National Tourism Price Competition Index (NTPCI) approach goods and service package that represents touristic consumption, was formed and the costs of this package in alternative tourism destinations were used for competitive comparison.

The aim of National Tourism Price Competition Index is to compare price advantages of national alternative tourism destinations relatively based on total costs of goods and services consumed by tourists in a certain period of time.

The necessary variables for calculation of National Tourism Price Competition Index are;

1. Goods and service package
2. Ruling prices
3. Cost of touristic goods and service package

A good and service package that represents interested field (tourism) in order to form index and the prices of the items in the package were used in calculations (TÜİK, 2008). In this scope touristic goods and service package was firstly formed in the study (the list of goods and service that are consumed for touristic aim forms touristic goods and service package of index).

Many goods and service that are consumed by domestic and foreign visitors, are also consumed by the people living in that place. Accordingly as forming touristic product package it is necessary to separate goods and services included in the scope of household consumption and goods and services in the touristic package from each other carefully. World Tourism Organisation (UNWTO) advices to collect goods and services regarding tourism expenditures under at least seven main groups (MAS-SCTA, 2010). These are;

1. Package tours,
2. Accommodation,
3. Food and drink,
4. Transportation,
5. Recreation, Cultural and Sportive Activities,
6. Shopping,
7. Other Goods and Services.

However due to different travelling classification, using different transportation ways, different carriers, special and different charges for future dated reservations, charter services, using different connection points within a country for entrance and exit, exchange difference etc., there occurs many differences between tour package costs (Dwyer *et al.*, 2000; Oyewole, 2004; MAS-SCTA, 2010). Accordingly, in the study package tour costs were not included in touristic goods and services package.

In the study touristic product package main groups are formed as;

1. Accommodation,
2. Food-drink,
3. Inland transportation,

4. Recreation, Cultural and Sportive activities,
5. Shopping,
6. Other goods and services (MAS-SCTA, 2010).

Accommodation; involves accommodation services such as hotel, motel, residence etc. *Food*; involves nutrient groups such as bread and cereals, meat, fish, milk, cheese and egg, oil and fat, vegetables and fruit, coffee, tea, cacao, sugar, dessert and spice. *Drinks*; involves non-alcoholic liquids and drinks such as liquor, wine, beer. *Inland transportation expenditures*; involves local transportation expenditures such as taxi, bus, trolley with expenditures of highway, railway and airway for inland long distance trips. *Recreation-Culture and Sports*; involves demonstrations open to the public with religious and cultural demonstrations such as cinema, theatre, sports activities, radio programmes. *Other Goods and Services* are toothpaste, perfume, cosmetics etc. This tourism package was formed in accordance with goods and services in tourism package that MAS-SCTA used in National Travel, Transportation and Tourism Price Index.

The second necessary variable in index calculation is Ruling Prices. Ruling Price defines actual prices of goods and services in related period necessary for calculating price competition index. In the study the prices regarding goods and service package base on results of Household Budget Study (TÜİK, 2016) done every month by Turkish Statistics Institution. Since it is not possible to follow prices of all goods and services in household price list of Turkish Statistics Institution, among consuming expenditures the goods and services having the most share take part. In order not to leave any goods and service group out of assessment, consuming expenditures are classified according to its aim (food, garment, health, transportation etc.). Later goods and services that represent each group are ranked from the biggest to the smallest according to their consuming importance (TÜİK, 2008).

Generally in tourism price researches studies, consumer price index data (ruling prices) can be used directly. However direct usage of consumer price index data decreases accuracy of results (MAS-SCTA, 2010). In this scope in calculating of index, the prices regarding goods and services in tourism package formed before were used.

The third necessary variable for calculations is changeable touristic product package cost. The cost of touristic goods and service is the total of goods and service prices that forms tourism package in alternative destinations. Touristic package price data were obtained by harmonising 12 main group, 44 sub group and 454 type of goods and service list that were collected by Consuming Expenditure Questionnaire of Turkish Statistics Institution and goods and services in touristic product package. The prices contains all final monetary consuming expenditures done in domestic. In order to clear prices from the effects of seasonal changes the average of prices in 12 month period (January-December 2015) was taken into consideration (MAS-SCTA, 2010).

At the last stage in calculation of National Tourism Price Competition Index (NTPCI) two values as the main and the other compared, were used. Compared value was written in dividend and the main value was written in denominator. In order to make proportional comparing easy, the result of division was multiplied by 100. So the main value was accepted as 100 and the value that the compared would get, obtained according to this (Dwyer *et al.*, 2000; Dwyer *et al.*, 2001; TÜİK, 2008).

$$NTPCI = \frac{\text{Compared (Alternative) Destination}}{\text{Main Destination}} \times 100$$

According to this base destination index value is accepted as 100. As a result of calculation if any alternative destination price competition index value is under 100, this shows that destination has a competitive status according to basic destination in terms of prices. Similarly if index value is over 100, this shows that destination has low competitive status according to basic destination in terms of prices.

The calculation, interpretation and understanding of price competition index is easy. As index values provide comparison of price competition power of destinations, they also enable to order those destinations according to price competition power.

4. METHODOLOGY AND FINDINGS

In the study the mentioned method below was followed in forming of price competition index towards tourism price basic components;

1. *Choosing of destinations that price comparison will be made;* In the study price comparisons regarding four important destinations were made as İstanbul Destination, Antalya Destination, Cappadocia Destination involving Nevşehir, Aksaray, Niğde and Kırşehir provinces and Aegean Destination involving some county in Muğla, İzmir, Denizli, Aydın provinces that were declared as important tourism destinations of Turkey by Turkish Republic Culture and Tourism Ministry.

2. *Harmonisation of goods and services list in Consuming Expenditures statistics of Turkish Statistics Institution with goods and services in touristic product package;* The goods and service list of Turkish Statistics Institution is Classification of Individual Consumption by Purpose (COICOP) which is sub study of System of National Accounts (SNA). The main groups in Classification of Individual Consumption by Purpose are; Food and Nonalcoholic drinks, Alcoholic drinks and Tobacco, Garment and Shoe, House, Furniture, Health, Transportation, Communication, Entertainment and Culture, Education, Restaurants and Hotels, various Goods and Services in form of 12 main groups, 44 subgroups and 454 type goods and services. However the goods and services in touristic product package used in the study was formed with 6 main groups as Accommodation, Food-drink, Inland transportation, Recreation-Culture and Sportive activities, Shopping, Other goods and services and few numbers of subgroups of them.

Accordingly there should be provided an accordance between goods and services in classification of Turkish Statistics Institution and goods and services in touristic package. In this scope, in the study Tourism package was formed basing on harmonised touristic product package list that MAS-SCTA (2010) formed in the direction of advices of World Tourism Organization and used in Travel, Transportation and Tourism Price Index study (Table 1).

Table-1. Tourism Package Main Group and Sub Items

Accommodation	Food-Drink	Transportation	Ent, Culture and Sports	Shopping	Other Goods and Services
Cost of Hotel	Food	Rent a car	Sports competition admission charge	Clothing	Shaving equipments
Cost of Flat Rent	Nonalcoholic drink	Train fare/suburban train	Payments for sportive activities	Travel equipments	Mouth and dental care products
	Alcoholic drink	Subway fare	Cinema	Jewelery (Gold)	Soap
	Tobacco	Tram fare	Theatre		Parfumes
	Food outside	Interprovincial train fare	Other Cultural Activities (Internet Cafe)		Deodorants
		Ministry bus fare	Books		Skin and body care products
		Minibus fare	Newspapers		Make-up
		Cab fare	Magazines and Journals		Hair care products
		Interprovincial bus fare			Toilet paper
		Airfare			Diaper
		City line Ferry fare			Sanitary napkin

Source: MAS-SCTA (2010)

3. *Collecting of Price Data*; The most important national source that can be used for price data that were paid for goods and services by visitors in different destinations is researches that statistics institutions do every month for Consumer Price Index studies. In this scope “Household Budget Study” results involving approximately 454 goods and services prices from all provinces and some villages of Turkey that is collected by Turkish Statistics Institution every month, was used to reach price data.

Separate unit price data belonging each main group in Table 1 were obtained by using statistics data base in official internet site of Turkish Statistics Institution. Later main group prices were obtained by calculating prices regarding sub items. Since the provinces in the scope of Aegean destination are evaluated in different groups, this destination was evaluated as two different tourism regions among themselves (Table 2).

Table-2. Touristic Product Package Cost

Tourism Product Package	Antalya	Aegean -1	Aegean -2 (İzmir)	Cappodocia	İstanbul
Accommodation	619,50TL	579,5TL	863,2TL	518,3TL	1.053,8TL
Food-Drink	699,37TL	700,85TL	716,16TL	652,54TL	717,85TL
Transportation	393,93TL	494,88TL	468,70TL	456,36TL	782,12TL
Recreation, Culture and Sports	142,97TL	131,13TL	125,27TL	131,53TL	234,07TL
Shopping	233,97TL	212,72TL	222,13TL	255,11TL	350,35TL
Other Goods and Services	97,06TL	93,96TL	97,09TL	92,90TL	98,79TL
Total	2186,80TL	2213,03TL	2515,28TL	2084,08TL	3236,99TL

Source: TÜİK (2016)

4. *The calculation, interpretation of National Tourism Price Competition Index (NTPCI) and findings*; It is rather easy to compare price competition power of public destinations with this approach. In the study price competition index value was calculated by comparing each destination (alternatives) with Antalya (main) destination (100). The formula below was used in calculation.

$$NTPCI = \frac{\text{Compared (Alternative) Destination}}{\text{Main Destination}} \times 100$$

For example when Antalya is compared with İstanbul;

Price Competition Index is calculated as $3236,99 / 2186,80 * 100 = 148$

In other words as Antalya destination has a 100 index value, İstanbul destination has 148 index value. These findings are interpret as if price competition index of any destination is below 100, it has more competitive position in terms of prices according to main destination, similarly if index value is over a 100, it has lower competitive position in terms of prices according to main destination. According to this, İstanbul destination has lower price competition advantage compared to Antalya destination.

According to the results of calculation, the order and index values of destinations were given in Table 3.

Table-3. Price Index and Ranking Regarding Destinations

Destination	Price Index	Order
Cappodocia	95	1
Antalya	100	2
Aegean	101	3
Aegean (İzmir)	115	4
İstanbul	148	5

Source: own elaboration

The choice of Antalya destination as main destination is done to provide comparability. In evaluation choosing another destination instead of Antalya as main destination does not change results.

As it is seen in Figure 1 among destinations in the scope of study, Cappadocia destination has touristic product package cost below prices of Antalya accepted as 100. In addition th this, Aegean and İstanbul destinations have touristic product package cost over prices of Antalya destination. In other words Cappadocia destination has the most advantageous price compared to other destinations. On the other hand, İstanbul Destination has the most disadvantageous price.

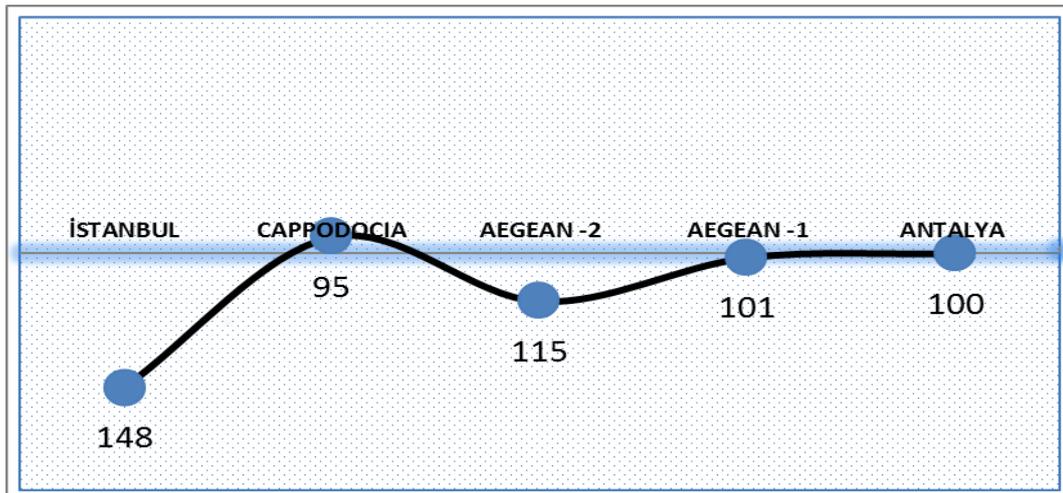


Figure-1. Tourism Price Competition of National Destinations

Source: own elaboration

In this study the prices of goods and services that form tourism package and price increase rates occurred in 1025 were examined. So goods and services was able to be obtained that affect price competition between destinations in positive and negative way. At the same time inflation rates regarding goods and services forming tourism package and if these rates differ or not when compared to rival destinations is another point examined in this study (Addition 1). Although the general price competition power of a destination is more advantageous than the other destination, some goods and services in tourism package of advanatageous destination can be disadvantageous according to compared destination. For example Antalya is advantageous in general of tourism package compared to Aegean-2 (İzmir) destination (Figure 1), in terms of Recreation and Sports activities cost it is in disadvantageous position than İzmir (Table 2).

There seem differences in increasing rates (inflation) in goods and services prices forming tourism package according to local destinations. Price increase rates of 2015 regarding destinations are in Table 4.

Table-4. Price Increase Rates of Touristic Product Package

Tourism Product Package	Antalya	Aegean -1	Aegean -2 (İzmir)	Cappodocia	İstanbul
ccomodation	%5	%7	%6	%7	%7
Food-drink	%8	%6	%7	%8	%7
Transportation	%1	%2	%2	%5	%4
Recreation, Culture and Sports	%-1	%6	%7	%6	%7
Shopping	%11	%10	%10	%8	%12
Other goods and services	%3	%0	%4	%4	%2
Average	%4	%5	%7	%6	%7

Source: own elaboration

As it is seen from Table 4, there are differences in destinations in price increase rates regarding the same goods and services. For example as transportation costs in Antalya shows 1% increase in a year, it increased as 5% in Cappadocia destination. In maintainability of price competition it is important for local decision takers and tourism shareholders to evaluate the reasons of price increase differences and bring solutions to negativenss.

4. RESULT

For a price index focused on tourism prices towards national destinations, the most suitable source is consumer price data. In addition to this, since consumer prices index are not prepared specifically for tourism consumption it is not suitable to use index directly as destination price competition index. In this situation it is necessary to use statistical data regarding consumption habits of domestic and foreign tourists and in the scope of previous studies new evaluations on bases of consumer price by forming touristic product package should be done. In Household Budget Study of Turkish Statistics Institution is rather suitable source in price index preparing specifically for tourism destinations. In addition, since the total of goods and services subjected to household consuming expenditures will not be in touristic product package, unrelated goods and services would be taken out from tourism package. Main groups regarding goods and services in tourism package and items regarding them should be formed suitable to international classifications.

In the study touristic product package costs were determined by benefitting from Household Budget Study price data and according to this price competition index was calculated regarding local destinations.

We can summarize the contributions of this study as follows; in the international and national literature, there was no study evaluating the touristic product price competitiveness of local tourist destinations with the method applied in this study. In this context, the study presents a method to the literature to compare the relative competitiveness levels of local tourism destinations in terms of tourist product prices. While revealing differences in the cost of tourist product basket between destinations, this method will provide the opportunity to track inflation rates for tourist products in the destination area during a particular period. It also provides to obtain which goods and services affect price competition between destinations in a negative way. In this scope index study performs a duty of a beneficial indicator that local decision makers can use in forming tourism policies.

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Addition-1. Tourism Package Costs and Inflation Values According to Local Destinations

Tourism Package	Product	ANTALYA DESTINATION		AEGEAN DESTINATION (Aydın-Denizli-Muğla)		AEGEAN DESTINATION (İzmir)		CAPPODOCIA DESTINATION (Aksaray, Niğde, Nevşehir, Kırşehir)		İSTANBUL DESTINATION	
		2015 Average unit price	Yearly inflation	2015 Average unit price	Yearly inflation	2015 Average unit price	Yearly inflation	2015 Average unit price	Yearly inflation	2015 Average unit price	Yearly inflation
ACCOMODATION		619,50 TL	5%	579,5 TL	7%	863,2 TL	6%	518,3 TL	7%	1.053,8 TL	7%
	Cost of Hotel	93,90 TL	3%	94,6 TL	7%	150,5 TL	6%	104,1 TL	8%	186,5 TL	6%
	Cost of Flat Rent	525,60 TL	7%	484,9 TL	6%	712,7 TL	5%	414,3 TL	5%	867,3 TL	7%
FOOD-DRINK		699,37 TL	8%	700,85 TL	6%	716,16 TL	7%	652,54 TL	8%	717,85 TL	7%
	Food	646,00 TL	8%	650,30 TL	5%	660,19 TL	7%	600,71 TL	8%	660,77 TL	8%
	Nonalcoholic drink	1,91 TL	8%	1,81 TL	6%	1,81 TL	5%	1,82 TL	8%	2,09 TL	7%
	Alcoholic drink	10,80 TL	11%	10,51 TL	6%	10,1 TL	12%	10,90 TL	7%	10,49 TL	8%
	Tobacco	8,34 TL	1%	8,34 TL	1%	8,34 TL	1%	8,34 TL	1%	8,34 TL	1%
	Food outside	32,32 TL	12%	29,89 TL	14%	35,69 TL	11%	30,77 TL	14%	36,16 TL	12%
TRANSPORTATION		393,93 TL	1%	494,88 TL	2%	456,36 TL	2%	468,70 TL	5%	782,13 TL	4%
	Rent a car	119,64 TL	5%	119,64 TL	5%	119,64 TL	5%	119,64 TL	5%	119,64 TL	5%
	Train fare/suburban fare	- TL		- TL		2,25 TL	0%	- TL		- TL	
	Subway fare	- TL		- TL		2,31 TL	0%	- TL		2,62 TL	0%
	Tram fare	1,56 TL	0%	- TL		- TL		- TL		- TL	
	Interprovincial train fare	- TL		14,00 TL	0%	38,00 TL	0%	6,00 TL	0%	70,00 TL	0%
	Ministry bus fare	1,70 TL	0%	1,75 TL	0%	2,33 TL	0%	1,50 TL	9%	2,25 TL	0%
	Minibus fare	1,76 TL	-2%	1,79 TL	1%	2,05 TL	10%	1,90 TL	6%	1,81 TL	0%
	Cabfare	6,03 TL	0%	7,53 TL	0%	5,75 TL	4%	6,12 TL	5%	5,20 TL	0%
	Interprovincial bus fare	40,27 TL	-2%	47,21 TL	3%	60,12 TL	-1%	30,58 TL	6%	51,50 TL	8%
	Airfare	222,97 TL	5%	302,96 TL	3%	221,52 TL	5%	302,96 TL	3%	523,43 TL	26%
	Domestic ferry fare	- TL		- TL		2,40 TL	0%	- TL		5,68 TL	0%
ENTERTAINMENT, CULTURE AND SPORTS		142,97 TL	-1%	131,13 TL	6%	131,53 TL	7%	125,27 TL	6%	234,07 TL	7%
	Sports competitions admission charge	11,74 TL	-41%	4,38 TL	9%	7,48 TL	14%	- TL		31,39 TL	7%
	Payments for sportive activities	75,94 TL	6%	81,72 TL	10%	70,07 TL	15%	82,64 TL	12%	126,93 TL	6%
	Cinema	11,11 TL	6%	11,51 TL	1%	13,29 TL	6%	10,69 TL	2%	14,74 TL	9%
	Theatre	8,00 TL	0%	5,00 TL	0%	10,00 TL	0%	- TL		32,84 TL	6%
	Other Cultural Activities(Internet Cafe)	1,43 TL	5%	1,51 TL	8%	1,79 TL	0%	1,30 TL	0%	1,73 TL	7%
	Books	29,06 TL	8%	21,31 TL	14%	23,20 TL	12%	24,94 TL	11%	20,74 TL	14%
	Newspapers	0,71 TL	4%	0,71 TL	4%	0,71 TL	4%	0,71 TL	4%	0,71 TL	4%
	Magazines and Journals	4,99 TL	6%	4,99 TL	6%	4,99 TL	6%	4,99 TL	6%	4,99 TL	6%
SHOPPING		233,97 TL	11%	212,72 TL	10%	255,11 TL	10%	222,13 TL	8%	350,35 TL	12%
	Clothing	62,82 TL	14%	49,76 TL	7%	58,38 TL	10%	44,13 TL	9%	70,42 TL	15%
	Travel equipment's	73,18 TL	12%	66,57 TL	16%	97,95 TL	13%	80,98 TL	7%	181,18 TL	14%

Jewelry (Gold)	97,97 TL	7%	96,40 TL	7%	98,78 TL	7%	97,02 TL	8%	98,75 TL	6%
OTHER GOODS AND SERVICES	97,06 TL	3%	93,96	0%	92,90	4%	97,09	4%	98,79	2%
Shaving equipments	2,63 TL	-4%	2,50 TL	-10%	2,41 TL	1%	2,51 TL	7%	2,43 TL	-3%
Mouth and dental care equipments	9,89 TL	6%	11,59 TL	9%	12,15 TL	8%	12,34 TL	5%	9,32 TL	4%
Soap	5,60 TL	-18%	5,96 TL	-11%	5,60 TL	-4%	5,51 TL	-5%	5,71 TL	-14%
Perfumes	26,52 TL	5%	20,53 TL	6%	21,14 TL	14%	23,69 TL	6%	22,49 TL	8%
Deodorants	7,11 TL	5%	6,73 TL	8%	6,95 TL	4%	6,89 TL	10%	7,08 TL	5%
Skin and body care equipments	15,85 TL	9%	17,41 TL	-2%	16,40 TL	5%	16,50 TL	7%	16,88 TL	2%
Make up	12,51 TL	2%	10,80 TL	2%	11,42 TL	5%	10,54 TL	6%	15,50 TL	4%
Hair care products	15,20 TL	5%	16,73 TL	4%	15,12 TL	5%	17,32 TL	-6%	17,57 TL	0%
Toilet paper	0,92 TL	12%	0,92 TL	6%	0,88 TL	2%	1,00 TL	9%	0,97 TL	9%
Diaper	0,46 TL	4%	0,45 TL	-1%	0,46 TL	1%	0,42 TL	8%	0,47 TL	0%
Sanitary napkin	0,36 TL	6%	0,34 TL	-10%	0,36 TL	5%	0,35 TL	-1%	0,36 TL	5%
GENERAL TOTAL	2.186,80 TL	4%	2.213,03 TL	5%	2.515,28 TL	7%	2.084,08 TL	6%	3.236,99 TL	7%

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